

REMARKS BY COMMISSIONER JAMES H. QUELLO
BEFORE THE
PALM BEACH CABLE CLUB AND THE TREASURE COAST BROADCASTERS
PALM BEACH, FLORIDA
DECEMBER 8, 1989

GLAD TO BE HERE, ETC.

MANY THINGS HAVE TRANSPIRED SINCE MY APPEARANCE HERE TWO YEARS AGO AFFECTING ALL OF US.

NEW ADMINISTRATION -- NOW FCC STANDS FOR YOUR FRIENDLY COMMUNICATIONS COMMISSION USHERING IN AN ERA OF GENTLER, KINDER REGULATION AND, HOPEFULLY, CONGRESSIONAL RELATIONS.

WE HAVE A NEW CHAIRMAN, TWO NEW COMMISSIONERS AND A NEW COMMISSIONER DESIGNATE -- A GOOD SOLID COMMON SENSE GROUP, ETC. DESCRIBE CONFIRMATION. (HUMOROUS ADVICE TO NEWCOMERS: DYNAMIC INACTION; VOLUNTEER; EFFERVESCENT SINCERITY; FOURTH COMMANDMENT; BUREAUCRAT MISTAKES, ETC.)

I HAVE LOST MY AWESOME (NOT UTILIZED) ONE VOTE VETO POWER WHEN WE HAD ONLY 3 COMMISSIONERS, BUT SOME GRATIFYING THINGS HAVE HAPPENED TO ME SINCE I LAST SAW YOU. SOME OF MY COMMUNICATIONS FRIENDS SAW FIT TO PRESENT WHAT I CALLED MY "PRE-POSTHUMOUS" AWARDS.

1. AWRT SILVER SATELLITE AWARD.
2. MICHIGAN ASSOCIATION BROADCASTERS CITIZEN OF THE YEAR AWARD.
3. ANNUAL SOL TAISHOFF AWARD BY NATIONAL PRESS FOUNDATION.
4. KEYSTONE AWARD BY PENNSYLVANIA ASSOCIATION OF BROADCASTERS.
5. NEW JERSEY BROADCASTERS AWARD.

AT THE MAB PRESENTATION AT THE ANNUAL MICHIGAN CONGRESSIONAL DELEGATION DINNER, I REFLECTED ON AGING, ETC., (REACHED AN UNMENTIONABLE, CHRONOLOGICAL MILESTONE IN LIFE, DAWN OF SENILITY; 70% OF YOUR MARBLES; KIND OF YEAR YOU HAVE HAD; SOME ADVANTAGE TO AGE FOR GOING THROUGH THE INQUISITIONAL TYPE OF CONFIRMATION HEARING -- FANTASIZER. I COULD EVEN REPEAT MY OLD STORY; COMFORTED BY DELUSIONS OF ADEQUACY -- MALCOLM FORBES' SAYING YOU AREN'T TOO OLD UNTIL --)

ON A MORE TEMPERATE NOTE, MY FAVORITE CLASSICAL QUOTE ON A POSITIVE ASPECT OF AGING. "IT IS ONLY NECESSARY TO GROW OLD TO BECOME MORE CHARITABLE AND EVEN INDULGENT. I SEE NO FAULT COMMITTED BY OTHERS THAT I HAVE NOT COMMITTED MYSELF." I TRY TO REMEMBER THAT QUOTE WHEN PASSING JUDGMENT ON OTHERS.

WELL, ENOUGH ABOUT "THIS IS MY LIFE" AT THE FCC, NOW FOR MORE RELEVANT DISCUSSIONS ON MAJOR FCC ISSUES AFFECTING YOU.

WE HAVE THREE MAJOR CABLE ISSUES AT THE FCC (1) AN OMNIBUS CABLE INQUIRY, (2) EFFECTIVE COMPETITION STANDARDS, AND (3) TELCO-CABLE ENTRY RECOMMENDATIONS TO CONGRESS.

THE COMMISSION WILL ADOPT A COMPREHENSIVE NOTICE OF INQUIRY THIS DECEMBER 12TH SEEKING COMMENTS ON THE CONTENTIOUS ITEMS OF CABLE RATES, EXCLUSIVE FRANCHISING, OWNERSHIP CONCENTRATION AND POSSIBLE VERTICAL AND HORIZONTAL INTEGRATION LIMITATION. THIS WILL CULMINATE WITH THE COMMISSION'S REPORT TO CONGRESS IN JULY 1990.

TWO OTHER MAJOR CABLE ISSUES ARE NOT INCLUDED IN THIS INQUIRY. FIRST, EFFECTIVE COMPETITION STANDARDS WILL BE THE SUBJECT OF AN FCC NOTICE OF PROPOSED RULEMAKING TO BE ISSUED IN JANUARY. THE THIRD ISSUE, THE ALL IMPORTANT, CONTROVERSIAL NPRM RECOMMENDING THAT CONGRESS ELIMINATE THE EXISTING TELCO-CABLE CROSS OWNERSHIP RESTRICTIONS, WAS ENACTED LAST SPRING. THE COMMENTS FROM ALL PARTIES HAVE BEEN RECEIVED AND ARE BEING CAREFULLY ANALYZED BY THE MASS MEDIA STAFF. THIS IS A PENDING RULEMAKING THAT WILL PROBABLY BE COMPLETED SOME TIME NEXT YEAR. I ISSUED A STATEMENT SHORTLY AFTER THE NPRM VOTE PLACING A HEAVY BURDEN OF PROOF ON TELEPHONE COMPANIES. THE PRINCIPAL THRUST OF MY STATEMENT WAS THAT THERE ARE MANY COMPLEX PROBLEMS TO RESOLVE AND REGULATORY SAFEGUARDS TO ENACT BEFORE TELEPHONE COMPANIES SHOULD BE AUTHORIZED TO PROVIDE FULL PROGRAM SERVICES WITH THEIR MONOPOLY TELEPHONE LINES. I REPEAT WHAT I STATED THREE YEARS AGO -- BOTH THE POTENTIAL AND PROBLEMS ARE MIND-BOGGLING

FOR TELCO ENTRY INTO CABLE. CONGRESS AND THE FCC MUST CAREFULLY ANALYZE THE PROBLEMS AND CRITICAL RAMIFICATIONS.

IN MY OPINION THE CRUCIAL PUBLIC INTEREST ISSUE IS WHETHER TELCO ENTRY WILL BE A THREAT OR A BOON TO PRESERVING FREE LOCAL TELEVISION FOR ALL THE PUBLIC. THE ULTIMATE INSTALLATION OF FIBER OPTICS INTO THE HOME THAT WOULD ENABLE NATIONWIDE TELCO ENTRY INTO CABLE IS PROBABLY 10 YEARS OR MORE AWAY. YET THE RECOMMENDATIONS OF THE COMMISSION AND ACTIONS BY CONGRESS THIS COMING YEAR WOULD BE MOST SIGNIFICANT IN SETTING THE COURSE FOR FUTURE TELECOMMUNICATIONS EVOLUTION IN AMERICA.

IN THE MEANTIME, SENATOR JOHN DANFORTH WITH 16 SENATE CO-SPONSORS, INTRODUCED SWEEPING LEGISLATION LAST MONTH PROPOSING CABLE RE-REGULATION TO RESTORE EQUITY IN THE TV MARKETPLACE. THE BILL LINKS MUST CARRY/CHANNEL REPOSITIONING TO COMPULSORY LICENSE, REDEFINES EFFECTIVE COMPETITION AND FRANCHISING AUTHORITY, LIMITS HORIZONTAL AND VERTICAL INTEGRATION OF THE CABLE INDUSTRY -- FOR EXAMPLE, IT CAPS MSO HORIZONTAL GROWTH AT 15% OF NATIONWIDE SUBSCRIBERS. ALSO SENATOR DANIEL INOUE, CHAIRMAN OF THE COMMUNICATIONS SUBCOMMITTEE, HAS PREDICTED IMMEDIATE CABLE LEGISLATION WHEN THE SENATE RETURNS FOR THE 2ND SESSION OF THE 101ST CONGRESS NEXT YEAR. FCC FINDINGS IN THESE VITAL ISSUES WILL BE FORWARDED TO THE SENATE AND HOUSE COMMUNICATIONS COMMITTEES FOR CONSIDERATION IN THE FINAL LEGISLATION THAT WILL PROBABLY BE ADOPTED LATER NEXT YEAR.

THERE ARE MANY OTHER MAJOR ISSUES BEFORE THE FCC -- FINSYN AND PRICE CAPS ARE EXAMPLES PLUS THE REGULAR DAILY PETITIONS, COMPLAINTS, APPLICATIONS AND ENFORCEMENT ACTIONS. IT'S A FASCINATING DAILY AGENDA -- BUSY ENOUGH SO THAT I DON'T HAVE TIME TO GRACEFULLY GROW OLD. IN FACT, I'VE BEEN CELEBRATING MY 69TH BIRTHDAY FOR SIX YEARS!

FINALLY AT MY AGE, AN ACTIVE TENNIS PLAYING SENIOR CITIZEN, ALL I WANT IS, WHAT ALL OF YOU WANT -- A DECENT EFFECTIVE GOVERNMENT IN A STRONG SOCIALLY PROGRESSIVE AMERICA.